

D/DCE/RM

Chen

DCI/IC 78-3760

FEB 27 1978

MEMORANDUM FOR: Director of Central Intelligence

STAT FROM:

[Redacted]
Deputy to the DCI for Resource Management

SUBJECT: DSD Duncan's Memorandum on Implementation of
E.O. 12036

1. Action Requested. Use the Talking Points at Tab A in discussion with the Secretary of Defense.

2. Background.

a. DSD Duncan's memorandum (Tab B) established Defense ground rules for implementation of E.O. 12036 (Tab C).

b. You indicated a need for specifics to use in discussing the Duncan memorandum with Secretary Brown.

c. Our main concerns which you ought to register with Secretary Brown before discussing specifics are:

(1) This memo provides the basis for tying the entire process of management into knots should someone be so inclined. For example, under the provisions of paragraph 7b, program manager initiated reprogramming may never get to you. Or, as another example, proposed testimony will risk a full additional edit cycle before you ever see it if paragraph 9 stands.

(2) The procedures established set up the possibility of staff bottlenecks between you and DoD program managers, create conditions which could allow unilateral DoD changes to national programs and budgets and, in our view, substantially modify authorities clearly assigned to you by E.O. 12036, particularly in the program and budget arena.

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(3) Paragraph 2, while not obviously so, appears to lay the groundwork for establishing the PRC as a reworked CFI and return us to the collegial system of resource control.

d. I have also included, at Tab D, the prior version of DSD Duncan's memorandum together with the cover note we prepared last Friday, 24 February. Tab E provides a first cut at substitute language more in line with what E.O. 12036 contains, should you wish to use it.

3. Recommendation. Use the points at Tab A in your discussion with the Secretary of Defense.



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Attachments
as stated

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The Director of Central Intelligence

Washington, D.C. 20505

Intelligence Community Staff

February 27, 1978

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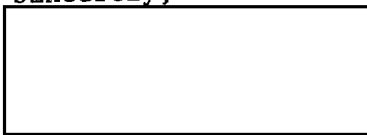
Dear Ed:

I wanted to thank you again for your hospitality. It's a marvelous place and the operation seems extraordinarily sharp. I look forward to having the opportunity to spend some time seeing the actual training program and getting acquainted with some of your people in the near future.

Again, thank you.

Sincerely,

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Deputy to the DCI
for Resource Management

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